



## Nutrien Stock: Is it Set to Take Off Again?

### Description

Shares of **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) have had a bit of a wild ride over the last few months. Shares hit all-time highs of around \$148 before falling back recently. Even after a market correction, Nutrien stock isn't where it used to be.

But with that in mind, could Nutrien stock take off once more?

### What happened?

First, let's go over why Nutrien stock soared in the first place. It mainly came down to sanctions against Russia after the country invaded Ukraine. Part of the sanctions included potash, a crop nutrient that Russia sold at cheap prices. But with that out of the picture, new deals were being signed on with other companies.

Those other companies included Nutrien stock. And Nutrien has slowly but surely been becoming one of the largest crop nutrient and potash producers in the world. It's been growing both through acquisitions of smaller nutrient companies and by growing its e-commerce business.

Shares rose 52% in the first part of 2022, hitting about \$148 per share. Yet since then, shares have come down by 17%.

### So what?

The peak in share price for Nutrien stock came just when the market started to fall into a correction. Yet the problem is that even as the [TSX hit correction territory](#), the stock didn't recover. While there have been a few days of positive momentum, overall shares have been falling.

The issue comes down to supply versus demand challenges, which analysts believe could last beyond 2023. However, Nutrien responded just this week by stating it would increase its potash production due to the ongoing crisis in Ukraine.

The company intends to boost production of annual potash to 18 million tonnes by 2025 — an increase of 21.5% this year. However, short-term boosts in the meantime have simply not met the ongoing demand.

## Now what?

Analysts believe that with Russia out of the picture, at least for now, Nutrien stock is the only major player in the potash industry at the moment. And that's on a global scale. Those tonnes are seriously needed if the company plans to meet the ongoing demand for global food security.

Meanwhile, the company continues to see its earnings increase, earning a record US\$1.4 billion in the first quarter and doubling its profit for the full-year 2022. Again, this comes from surging prices related to the Ukraine crisis.

But while Nutrien stock certainly has reason to increase its production, some question how long it will last? Should the war in Ukraine suddenly come to an end, and sanctions with it, will the world return to its less-expensive potash option?

So, while it remains unclear on how the company will substantially create more potash production, it's in the cards for now.

## Bottom line

Nutrien stock hit those heights, but have since come back down to earth. Honestly, I don't see them soaring like they were before day after day. That being said, shares are back in a reasonable area, and it still has a potential upside of \$155 among analyst targets — especially if the war continues. Furthermore, it trades at a [valuable 11.37 times earnings](#).

So, investors looking for quick returns that have are able to keep their eye on the stock's performance may have a solid chance of seeing another climb in the near future. And you'll get a 2.22% dividend yield in the meantime!

### CATEGORY

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